FINANCE (SHRI EDUARDO FALEIRO): (a) Reserve Bank of India (RBI) has issued comprehensive guidelines to commercial banks including Regional Rural Banks on the implementation of the 'Service Area Approach' which involves assigning of specific areas to branches located at rural and semi-urban centres.

(b) The service area approach involves five distinct stages namely:—

(i) identification of the specific service area for each rural and semi-urban branch;

(ii) survey of the villages in the service area for assessing the potential for lending for different activities and identification of beneficiaries for assistance;

(iii) preparation of credit plans on an annual basis for the service area by each bank branch;

(iv) co-ordination between credit institutions on the one hand and field level development agencies on the other, on an on-going basis for the effective implementation of the credit plans; and

(v) continuous system of monitoring the progress in the implementation of the plans and individual systems.

(c) and (d) In the 'Service Area Approach', it would make a bank branch responsible for meeting all genuine credit requirements of eligible borrowers living in a group of villages; Scattered lending over wide areas and the consequent dilution in the standards of post disbursement supervision of credit would be replaced by organised and planned lending; and the Credit Plan would be drawn up at the grass root level. Therefore involvement and commitment of the Branch Manager would be maximised. Whenever credit camps are considered necessary and convenient to the beneficiaries, banks can organise such camps.

As credit camps are organised for the benefit of the Weaker Sections, there is no proposal at present to reconsider the matter.

**Forecast by IMF regarding Rise in the Prices of Non-fuel Commodities**

751. SHRI PARVATHANENI UPENDRA: Will the Minister of FINANCE be pleased to state:

(a) whether the International Monetary Fund has forecast a further rise in the prices of non-fuel commodities in the current year; and

(b) if so, what action Government have taken to contain price rise and reduce the effect of inflation?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir. The IMF forecast relates to world prices of commodities, and not to prices in India.

(b) The specific measures taken by the Government to curb the price rise include steps to optimise foodgrains production, strengthening of the Public Distribution System, augmented imports and release of essential commodities like pulses and edible oils, strict economy in government expenditure, restraint on money supply growth, selective credit controls and intensive action against profiteers and hoarders.

**Environmentalists Opinion on Conservation**

752. SHRI PARVATHANENI UPENDRA: Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) whether leading environmentalists feel that India's vast biological diversity faces peril unless urgent action is taken to evolve a realistic approach on conservation; and